

Waste Connections of Alaska, Inc.
Cost of Fuel Surcharge (COFS) Update
Memorandum

Date: April 1, 2021

Utility Name Waste Connections of Alaska, Inc.	Utility File No. TA137-692	Date Filed: March 1, 2021
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FILING SUMMARY

Statutory Deadline: April 15, 2021	Tariff Sheet recommended for approval: Tariff Sheet No. 63.2 March 1, 2021	Staff Recommended Effective Date: March 1, 2021
Side-by-side Tariff Sheet attached as Appendix 3		

COFS SUMMARY

Prior Commission Determination TA Number	Date of Prior Commission Determination	Prior Commission Determination	Staff Recommended Determination	Change
TA134-692	September 1, 2020	(1.6658%)	(3.1723%)	(1.5065%)

Signed: Steven Jones Utility Tariff Analyst
 Steven Jones

Reasons for the above recommendation: See Attached Memorandum

	Date, if different from 4/1/2021	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<u>RMP</u>		
Kurber		<u>KNI</u>		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JWW</u>		

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order.

Waste Connections of Alaska, Inc.
COFS Update
Memorandum

To: Robert M. Pickett, Chairman
Keith Kurber II
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: April 1, 2021

File: TA137-692

Utility: Waste Connections of Alaska, Inc.

From: Steven Jones

Subject: COFS

COFS Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed the proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to COFS are reviewed pursuant to the methodology approved with Order No. U-09-012(10) and must be filed with documentation supporting entries in the balancing account for the historical period and projections for the future period.

Staff Notes:

The projected fuel costs decreased from \$180,903 to \$160,529. The balancing account balance decreased from (\$26,268) to (\$98,461). The projected revenues increased from \$6,225,837 to \$6,350,907. The downward pressure due to the decrease in the projected fuel costs, the increase in the projected revenues, and the decrease in the balancing account balance results in a decrease to Waste Connections of Alaska's COFS from (1.6658%) to (3.1723%).

Staff Recommendation:

The Commission should approve Tariff Sheet No. 63.2, filed March 1, 2021, by Waste Connections of Alaska, Inc. with TA137-692. The effective date of the tariff sheet should be March 1, 2021.

Additional Comments:

Waste Connections of Alaska filed a revenue requirement study (RRS) on December 23, 2019, designated as TA127-692. TA127-692 was suspended into U-20-002 on February 6, 2020 (see Order No. U-20-002(1)/U-20-003(1)/U-20-004(1)/U-20-005(1)/U-20-006(1)/U-20-007(1)/U-20-008(1)/U-20-009(1)/U-20-010(1), issued February 6, 2020). Staff does not recommend suspension of TA137-692 into Waste Connections of Alaska's pending revenue requirement study as the COFS is calculated using the base cost of fuel from the most recently approved RRS (see Tariff Sheet No. 63.2, at 6). The pending RRS has not been approved; as such there is not a new base cost of fuel to use in calculating the COFS. Waste Connections of Alaska will submit an updated fuel surcharge calculation once the new base cost of fuel has been established by the Commission (see tariff advice letter for TA127-692, at 5).

Waste Connections of Alaska, Inc.
Calculation and Comparison of Residential Bill
TA137-692

Customer Bills	Prior Determination	Updated Determination	Change
Surcharge (%)	(1.6658%)	(3.1723%)	(1.5065%)
Customer Bill			
1X 96 Gallon Roll Cart	\$17.71	\$17.71	\$ -
Regulatory Cost Charge @ 0.756%	\$0.13	\$0.13	\$ -
Surcharge Amount (\$)	(\$0.30)	(\$0.56)	\$ (0.26)
Total Customer Bill (\$)	\$17.54	\$17.28	\$ (0.26)

Waste Connections of Alaska, Inc.
Cost of Fuel Surcharge Amount
TA137-692

Calculation of Cost of Fuel Surcharge			
Line	Description	Prior Determination	Updated Determination
A	Estimated Per Unit Fuel Cost	2.6023	\$ 2.2629
B	Estimated Fuel Consumption	69,516	70,939
C	Total Estimated Fuel Costs (A*B)	180,903	\$ 160,529
D	Balancing Account Balance	\$ (26,268)	\$ (98,461)
E	Total (C+D)	\$ 154,635	\$ 62,069
F	Estimated Retail Sales	\$ 6,225,837	\$ 6,350,907
G	Projected Cost of Fuel (E/F)	2.4838%	0.9773%
H	Base Cost of Fuel	4.1496%	4.1496%
I	Cost of Fuel Surcharge Amount (G-H)	(1.6658%)	(3.1723%)

Comments

Actual Costs			
	Prior Quarter	Reported Quarter	Change
Per Unit Fuel Cost	\$ 1.93	\$ 2.38	\$ 0.45
Total Fuel Cost	\$ 68,954.99	\$ 84,038.00	\$ 15,083.01
Balancing Account	\$ (26,268.00)	\$ (98,461.00)	\$ (72,193.00)

Actual Revenues			
	Prior Quarter	Reported Quarter	Change
Surcharge Revenues	\$ (190.36)	\$ (38,899.00)	\$ (38,708.64)
Base Cost Revenues	\$ 133,081.06	\$ 133,304.82	\$ 223.76

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Apr 1, 2021 10:02 AKDT)

Email: keith.kurber@alaska.gov

Signature: 
Antony Scott (Apr 1, 2021 11:07 AKDT)

Email: antony.scott@alaska.gov

Signature: 
Daniel Sullivan (Apr 1, 2021 11:20 AKDT)

Email: daniel.sullivan@alaska.gov

Signature: 
Janis W. Wilson (Apr 1, 2021 12:42 AKDT)

Email: janis.wilson@alaska.gov

RCA NO. <u>692</u> <u>Thirty-fourth Revision</u> SHEET NO. <u>63.2</u> Canceling <u>Thirty-third Revision</u> SHEET NO. <u>63.2</u>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 100px;"> RECEIVED SEP 01 2020 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small> </div>										
WASTE CONNECTIONS OF ALASKA, INC. d/b/a ALASKA WASTE SECTION 300.10.25 RESIDENTIAL SURCHARGES											
MUNICIPALITY OF ANCHORAGE RESIDENTIAL SURCHARGES COST OF FUEL SURCHARGE (1) Cost for Bi-annual Period Beginning August 31, 2020 (T) <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Source</u></th> <th style="text-align: left;"><u>Quantity</u></th> <th style="text-align: left;"><u>Unit Cost</u></th> <th style="text-align: left;"><u>Total</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>Diesel Fuel</td> <td>69,516 Gal X</td> <td>\$2.6023 per gal =</td> <td>\$ 180,903</td> <td>(I)</td> </tr> </tbody> </table> (2) Balance in Cost of Fuel Balancing Account as of June 30, 2020 (\$26,268) (T)(R) (3) Total Lines (1) and (2) above \$154,635 (I) (4) Estimated Bi-annual Revenue \$6,225,837 (T)(I) (5) Projected Cost of Fuel (Line (3))/(4)) 2.4838% (R) (6) Base Cost of Fuel <u>4.1496%</u> (7) Cost of Fuel Surcharge (Line (5)-(6)) (1.6658)% (R)		<u>Source</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>		Diesel Fuel	69,516 Gal X	\$2.6023 per gal =	\$ 180,903	(I)
<u>Source</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>								
Diesel Fuel	69,516 Gal X	\$2.6023 per gal =	\$ 180,903	(I)							
This surcharge applies to Residential rates, including extra can and bag charges.											
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Tariff Advice No. <u>TA134-692</u> Effective: <u>September 1, 2020</u> </div> Issued By: WASTE CONNECTIONS OF ALASKA, INC. d/b/a ALASKA WASTE <div style="display: flex; justify-content: space-between;"> _____ Heather Garland Title: <u>Pricing Manager</u> </div>											

RCA NO. <u>692</u> <u>Thirty-fifth Revision</u> SHEET NO. <u>63.2</u> Canceling <u>Thirty-fourth Revision</u> SHEET NO. <u>63.2</u>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 100px;"> <div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;"> <small>TARIFF SECTION</small> RECEIVED MAR 01 2021 <small>RCA</small> </div> </div>										
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